

HOUSE BILL REPORT

HB 2301

As Reported by House Committee On:
Local Government

Title: An act relating to county financial actions for a concluded fiscal year.

Brief Description: Concerning county financial actions for a concluded fiscal year.

Sponsors: Representatives Robinson, Fitzgibbon, Ryu and Dunshee.

Brief History:

Committee Activity:

Local Government: 1/20/14, 1/27/14 [DP].

Brief Summary of Bill

- Authorizes county legislative authorities, during the period of time county appropriation accounts remain open after the end of a fiscal year, to make transfers, revisions, supplemental appropriations, and appropriations for emergencies occurring prior to the close of the fiscal year.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 5 members: Representatives Takko, Chair; Farrell, Fitzgibbon, Pike and Springer.

Minority Report: Do not pass. Signed by 3 members: Representatives Overstreet, Ranking Minority Member; Kochmar, Assistant Ranking Minority Member; Taylor.

Staff: Ethan Moreno (786-7386).

Background:

After the adoption of an annual or biennial budget, a county legislative authority (legislative authority) may make transfers or revisions within county departments, or may make supplemental appropriations to the budget from unanticipated state or federal funds, or unanticipated funds from local government revenue sources. A legislative authority may also provide for the expenditure of money not provided for in the budget when it is required for a

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public emergency that could not reasonably have been foreseen at the time of making the budget.

All county appropriations, expenditures that are fixed and adopted in detail by the legislative authority, lapse at the end of the fiscal year. Statute provides that appropriation accounts remain open for 30 days after the end of the fiscal year for the payment of claims incurred against the appropriations prior to the close of the fiscal year. Subject to certain limitations, this 30-day period may be extended at the discretion of the county auditor. After this payment claim period has expired, all appropriations become null and void and any subsequent claim against an appropriation must be provided for in the next ensuing budget.

Summary of Bill:

During the period that county appropriation accounts remain open after the end of the fiscal year, the county legislative authority is authorized to make transfers, revisions, supplemental appropriations, and appropriations to meet public emergencies occurring prior to the close of the fiscal year.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill was requested by Snohomish County. The bill will clarify budgeting issues for counties, and will help Snohomish County manage its budget and comply with the law.

A similar Senate bill was heard in the Local Government Committee last session. Counties adopt budgets prior to the beginning of the fiscal year, but transfers and appropriations can occur only between January 1 and December 31. Due to public process requirements, the real deadline for adopting a budget is in early November, not December 31. This current process requires counties to engage in a bit of budget-related guess work, and can result in over and under appropriations and possible audit findings. This bill will align the time in which counties can make appropriations and transfers with the time they pay bills. Snohomish County prefers and has been using this approach. The State Auditor, however, has indicated that this approach is not in compliance with state law.

This bill is important to counties. Among other factors, this bill will provide needed flexibility for counties to respond to unanticipated expenses, including expenses related to the November/December flood season.

(Opposed) None.

Persons Testifying: Representative Robinson, prime sponsor; Briahna Taylor, Snohomish County; and Brian Enslow, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.